GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4211
ANSWERED ON:07.08.2014
MODEL STATE ELECTRICITY DISTRIBUTION RESPONSIBILITY BILL .
Dhruvanarayana Shri Rangaswamy

Will the Minister of POWER be pleased to state:

(a) whether the Government has formulated a Model State Electricity Distribution Responsibility Bill, 2013; and

(b) if so, the details and the salient features thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a) : Yes, Madam. This Bill is to be adopted and passed by the State Governments which are participating in the Financial Restructuring Programme (FRP) for their Distribution Sector.

(b) : The details and the salient features of the Bill are as under :

Aim of the Bill- To fix responsibility of State Govt. to ensure long term sustainability of the State owned Distribution Licensees to enable adequate supply to consumers through financial restructuring, sustainable support, corporate governance and regulatory compliances etc.

State Electricity Distribution Management Statement to be laid before the State Legislature

A Statement shall be laid in each financial year during the Budget Session, before the State Legislature, on the measures taken by the State Government in relation to electricity distribution in the State, in the areas of long-term planning, consumer protection, regulatory compliance, corporate governance, financial restructuring of State Distribution Licensee, so as to bring about the operational and financial viability of the State Distribution Licensee, on sustainable basis and the statement shall comprise of the following :-

(a) State Electricity Distribution Strategy Statement laying down the policies and strategies of the State Government for achieving the KPIs, for the ensuing financial year, relating to Long Term Planning for Sustainability, FRP, Accounting Measures, Regulatory Compliance and Tariff Filings, and other activities having potential implications on financial and operational turnaround of State Distribution Licensee;

(b) Action plan, laying down time bound programme, to execute and monitor strategic priorities to achieve KPIs along with steps for eliminating/minimizing deviation in actual performance and KPIs.

(c) Performance Statement laying down an assessment of compliance, by State Distribution Licensee or the State Government.

Long term planning Long term estimation of the demand; AT&C loss and electricity availability and preparation of a time bound road map for AT&C loss reduction within 6 months.

Energy Accounting Energy accounting and auditing of all 33 kv and 11kv feeders and distribution transformers and submission of roadmap for the same within 6 months.

Metering	Time bound plan for 100% metering of all categories of consumers.
State Govt. grant	Advance declaration of grants, categorically stating the beneficiaries.
Budgetary provision	Creation of annual budgetary provision for subsidy and timely release of committed subsidy.
Govt. energy dues	Payment of all arrears of electricity charges for electricity supply to Govt. departments.
Special courts	Setting up of special courts for electricity theft cases within 1 year.
Load Despatch Centre	Set up and make operational Load Despatch Centres within 6 months to ensure functional and financial autonomy, independent and sustainable revenue streams and adequate manpower.
Budgetary provision for Financial Restructuring Plan (FRP)	FRP shall be made a part of State budget statements for effective monitoring of its impact on the State finances.
Accounting measures	Setting up of Empowered Committee for identification, provisioning and write-off of bad & doubtful debts/ receivables in the books of State Distribution Licensee.
Corporate Governance	Adherence of good corporate governance practices, Companies Act and DPE guidelines on corporate governance by the State Distribution Licensee.
Tariff filing	Timely filing of tariff, true-up and ARR petitions and expeditious liquidation of regulatory assets in 3 to 5 years.
Monitoring Mechanism	Committee under the Chairmanship of Chief Secretary of the State for effective implementation of the Act.
Measures to enforce compliance	The non- compliance of the Act may render the State ineligible for power from the unallocated quota and may also attract appropriate action by the Central Government.